

March 18, 2003

The Honorable Hayden H. Horney
Clerk of the Circuit Court
County of Wythe

Board of Supervisors
County of Wythe

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Wythe for the period January 1, 2002 through December 31, 2002.

Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial management system; evaluate the Court's internal controls; and test its compliance with significant state laws, regulations, and policies. However, our audit was more limited than would be necessary to provide assurance on the internal controls or on overall compliance with applicable laws, regulations, and policies.

The results of our tests found the Court properly stated, in all material respects, the amounts recorded and reported in the financial management system. However, we noted weaknesses in internal controls and noncompliance with state laws, regulations, and policies that the Clerk needs to address as described below.

Improve Accounts Receivable Management

The Clerk does not have adequate procedures to establish, monitor and collect accounts receivable. Specifically, we found the following conditions:

- As noted in our previous audit, the Clerk does not properly assess court costs. Specifically, in four of 20 cases tested, the Clerk failed to properly assess the following costs. In two cases, the Clerk again improperly assessed the drug offender fee totaling \$300. In the other two cases, the Clerk again erroneously assessed the forensic laboratory fee with no statutory authority totaling \$200. The Clerk should properly assess costs as outlined by the fee schedule issued by the Supreme Court of Virginia.
- The Clerk did not establish accounts receivable in the Court's automated financial system immediately after final disposition of the case in accordance with the Financial Management System User's Guide. In 7 of 20 unpaid cases tested, the Clerk did not establish the accounts receivable for up to 15 days after final

disposition. The Clerk should immediately establish the accounts receivable whenever the Court assesses the fines and costs. This should help strengthen collection procedures and increase the collection of Court revenue.

- In 8 of 20 unpaid cases tested, the Clerk did not enter judgments in the Judgment Lien Docket and entered an additional three cases up to 12 weeks after the trial. The Clerk should record all unpaid fines and costs in accordance with Section 8.01-446 of the Code of Virginia, which requires the Clerk to record unpaid fines and costs without delay.
- The Clerk does not properly calculate due dates as required by Section 19.2-354 of the Code of Virginia. All fines and costs are payable immediately upon final disposition unless otherwise ordered by the Court or evidenced by a written payment agreement. In 3 of 20 unpaid cases tested and one case modification, we found that the Clerk incorrectly calculated the due date. The Clerk should ensure that he and his staff properly calculate the due date so as not to hinder collection efforts.

The Clerk must ensure that court staff possesses an appropriate understanding of the accounts receivable process through proper training and supervisor oversight. Proper entry of receivables along with accurate due dates should strengthen collection procedures and increase the collection of Court revenue.

Consistently Monitor Inactive Civil Cases:

The Clerk does not have established policies and procedures to consistently monitor inactive civil cases. Section 8.01-335 of the Code of Virginia establishes guidelines for removing inactive civil cases from the Court's docket after one, two, and three years of inactivity. We found 90 civil cases dating back to 1988 with no action.

Old cases clutter and overstate the Court's docket report, which is one of the tools the Compensation Board uses to allocate court funding. The Clerk should develop policies and procedures to review and identify inactive civil cases. Once identified, the Clerk should bring them to the Judge's attention for the Court to remove them from the docket. Further, the Clerk should consistently monitor inactive cases.

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We discussed these comments with the Clerk on March 14, 2003 and we acknowledge the cooperation extended to us by the Court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK/cam

cc: The Honorable Robert M. D. Turk, Chief Judge
Cellel Dalton, County Administrator
Bruce Haynes, Executive Secretary
Compensation Board
Paul Delosh, Technical Assistance
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